

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

IN RE NII HOLDINGS, INC.
SECURITIES LITIGATION

Case No. 1:14-cv-0227-LMB-JFA

JOINT STATUS REPORT

Pursuant to the Court's Order of November 3, 2014 (ECF No. 162), Lead Plaintiffs Danica, Industriens, Operating Engineers Pension Trust Fund, IBEW Local No. 58 / SMC NECA Funds, and Jacksonville P&F (together, "Plaintiffs"), and Individual Defendants Steven P. Dussek, Steven M. Shindler, and Gokul V. Hemmady (together, "Individual Defendants") (collectively, the "Parties"), respectfully submit this Joint Status Report to apprise the Court of recent developments in this Action (the "Securities Case") and in the NII Holdings, Inc. bankruptcy proceedings (the "Bankruptcy Case"), and to request that this Action remain stayed, as explained below.

I. Nature of the Action and Procedural History

1. This is a putative securities-fraud class action. Plaintiffs are funds that purchased securities of NII Holdings, Inc. ("NII" or the "Company") during the Class Period. Plaintiffs allege that the Individual Defendants and NII made certain misstatements and omissions during the putative Class Period of February 25, 2010 to February 27, 2014.

2. On August 27, 2014, the Individual Defendants and NII moved to dismiss Plaintiffs' Second Amended Complaint. ECF No. 137. While the motion to dismiss was pending,

on September 15, 2014, the Company filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. Upon receiving NII's notice that it had filed for bankruptcy, this Court stayed the Securities Case as to NII only, with the Securities Case against the Individual Defendants proceeding. ECF No. 146.

3. On October 6, 2014, this Court held a hearing on the motion to dismiss the Securities Case. At the October 6, 2014 hearing, the Court denied the Individual Defendants' motion to dismiss. ECF Nos. 148, 149, 150.

4. Two weeks later, on October 23, 2014, the Company filed a motion in the Bankruptcy Court, pursuant to Sections 105 and 362 of the Bankruptcy Code, seeking to extend the automatic stay to Plaintiffs' claims in the Securities Case against the Individual Defendants (the "Stay Extension Motion"). ECF No. 157-1. The Stay Extension Motion was originally set for a hearing on November 13, 2014.

5. This Court held a status conference on November 3, 2014. ECF No. 158. At that conference, the Parties updated the Court on the status of the Bankruptcy Case and the Stay Extension Motion. The Court entered an order staying the Securities Case and directing the Parties to file a joint status report on December 5, 2014. ECF No. 162.

6. The Stay Extension Motion remains pending. Plaintiffs have met and conferred several times with the Company's bankruptcy counsel in an effort to find a resolution to the issues raised by that motion without the Bankruptcy Court's ruling on a contested motion. Negotiations are ongoing and a framework for a resolution has been developed, but Plaintiffs and the Company have not yet reached a final agreement. The Stay Extension Motion therefore

remains pending on the Bankruptcy Court's docket, and is currently scheduled for a hearing on December 18, 2014.

7. Plaintiffs represent that they and the Company are discussing a resolution of the Stay Extension Motion through which Plaintiffs would consent to an extension of the automatic stay to the Individual Defendants for a limited period of months in return for the rolling production by the Company of targeted categories of documents. While Plaintiffs do not believe this production would be sufficient for purposes of fully litigating the Securities Case, given the automatic stay already in place with respect to the Company, Plaintiffs believe that the production does provide a means to obtain meaningful but limited discovery during the pendency of the Company's Bankruptcy Case.

II. Status of NII's Bankruptcy

8. As explained above, and consistent with the ongoing negotiations between Plaintiffs and the Company, the Bankruptcy Case hearing on the Company's Stay Extension Motion was postponed from November 13, 2014 to December 18, 2014. If Plaintiffs and the Company are unable to resolve the Stay Extension Motion, Plaintiffs' response to the Stay Extension Motion is currently due on December 11, 2014.

9. On November 24, 2014, the Company filed a Plan Support Agreement (the "PSA") and Plan Term Sheet (the "PTS") in the Bankruptcy Case outlining an agreement among certain constituencies in the Bankruptcy Case regarding the terms of a potential plan of reorganization for the Company. The PTS calls for the filing of a plan of reorganization and other documents by December 18, 2014, and confirmation of that plan of reorganization by April 8, 2015. Neither the PSA nor the PTS has been submitted to the Bankruptcy Court for approval.

III. Suggested Status for the Securities Case

10. At this point, the Parties suggest that the stay of the Securities Case should remain in effect until ordered by this Court, including in response to a request of any Party. If Plaintiffs and the Company are able to resolve the issues raised by the Stay Extension Motion, that resolution would include an agreement to extend the automatic stay to the Individual Defendants for a limited period of months, during which time the Company would make a rolling production of targeted categories of documents. Plaintiffs believe that such a stay, accompanied by the production of targeted categories of documents, would be beneficial and a reasonable resolution of the issues raised by the Stay Extension Motion.

IV. Future Status Reports and Potential Status Conference

11. The Parties suggest that filing of future status reports would be beneficial to the efficient litigation of the case. To this end, the Parties propose to file a joint status report on the fifth day of each month. These reports will notify the Court of any significant developments in the Bankruptcy Case that could have an impact upon this case.

12. The Parties are, of course, available at any time in the event the Court would like to schedule a status conference.

Respectfully submitted,

Dated: December 5, 2014

By: /s/ Susan R. Podolsky

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CERTIFICATE OF SERVICE

I hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing and paper copies will be sent to those indicated as non-registered participants on December 5, 2014.

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